

## Message Text

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ACTION SS-15

INFO OCT-01 ARA-06 ISO-00 MC-02 AID-05 ACDA-05 CIAE-00

DODE-00 PM-04 H-02 INR-07 L-03 NSAE-00 NSC-05 PA-01

PRS-01 SP-02 EB-07 NRC-05 TRSE-00 ERDA-05 COME-00

OMB-01 /077 W

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R 142020Z NOV 75

FM AMEMBASSY LA PAZ

TO SECSTATE WASHDC 8755

C O N F I D E N T I A L LA PAZ 8069

E.O. 11652: GDS

TAGS: MASS, BL

SUBJ: MUNITIONS CONTROL AND AGENTS FEES

REF: STATE 255260

1. BOLIVIA HAS VIRTUALLY NO PREVIOUS EXPERIENCE IN MILITARY PURCHASES OF ITEMS ON MILITARY CONTROL LIST FROM US EXCEPT UNDER FMS NOR ARE ANY FIRM COMMITMENTS CONTEMPLATED TO OUR KNOWLEDGE. GOB OFFICIALS HAVE NOT IN PAST EXPRESSED PARTICULAR INTEREST IN DIVULGING INFORMATION ON MILITARY EXPENDITURES AND PURCHASES AND IN SOME CASES THEY HAVE BEEN MOST RELUCTANT TO MAKE KNOWN ANY COST INFORMATION ON MILITARY PURCHASES FROM OTHER COUNTRIES. ALSO, OUR EXPERIENCE IS THAT IN PURCHASES FROM THE US, MILITARY USUALLY TRIES TO GO DIRECTLY TO THE SELLER. IF A LOCAL REPRESENTATIVE IS INVOLVED HE NORMALLY OBTAINS A QUOTATION FROM US COMPANY AND THEN QUOTES A MARK-UP PRICE TO MILITARY. IN LATTER CASE MOST SUCH PURCHASES ARE SMALL AND WOULD NOT ORDINARILY INVOLVE FEES OVER \$10,000.

2. EMBASSY'S ASSESSMENT IS THAT FOR REASONS INDICATED ABOVE THE GOB WOULD HAVE LITTLE INTEREST IN A MANDATORY REQUIREMENT THAT AGENTS FEES BE DISCLOSED. THERE MIGHT BE SOME OFFICIALS IN THE MINISTRY OF DEFENSE WHO WOULD FAVOR DISCLOSURES, BUT WE  
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WOULD NOT BE SANGUINE THAT SUCH INFORMATION WOULD BE USED TO

PREVENT IMPROPER AGENT PRACTICES. IT MIGHT, IN FACT, EXACERBATE THE SITUATION. IF ASKED DIRECTLY, HOWEVER, MOST GOB OFFICIALS WOULD PROBABLY SAY THEY SUPPORT EFFORTS TO PREVENT IMPROPER PURCHASING PRACTICES AND THAT THEY WOULD SUPPORT AGENT FEE DISCLOSURE; BUT WHETHER GOB WOULD ADOPT OWN LAWS OR REGULATIONS SPECIFICALLY PROHIBITING IMPROPER AGENTS PRACTICES IS DOUBTFUL.

3. DIFFERENCE BETWEEN PUBLIC POSITION GOB WOULD TAKE ON SUCH ISSUE AND ITS REAL INTEREST IS REFLECTED IN BOLIVIA'S CO-SPONSORSHIP OF DRAFT UN RESOLUTION ON TRANSNATIONAL CORPORATIONS (SEE STATE 254860). WHEN EMBASSY MADE DEMARCHE TO FOREIGN MINISTRY REQUESTED BY DEPARTMENT, POINTING OUT IMPLICATIONS, INCLUDING EXTRATERRITORIALITY OF RESOLUTION, GOB INDICATED ITS PRIVATE WILLINGNESS TO SEE A LESS EXTREME APPROACH ADOPTED TO DISCLOSURE OF TRANSNATIONAL AGENCY PRACTICES (SEE LA PAZ 7783).

4. HOWEVER, THERE CONCEIVABLY COULD BE SITUATIONS IN WHICH GOB WOULD VERY MUCH LIKE TO KNOW AGENTS FEES. EMBASSY SUGGESTS THAT OFFER TO MAKE AVAILABLE INFORMATION ABOUT AGENTS FEES ON A CASE-BY-CASE BASIS AT THE REQUEST OF THE RECIPIENT GOVERNMENT MIGHT BE A MORE APPROPRIATE MEANS OF ATTEMPTING TO DETER RECURRENT OF PRACTICES RECENTLY DISCLOSED. THIS WOULD LEAVE IT UP TO RECIPIENT GOVERNMENT TO DETERMINE AND BE RESPONSIBLE FOR CASES IN WHICH KNOWLEDGE OF AGENTS FEES WOULD BE APPROPRIATE TO ITS NEEDS.  
STEDMAN

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** IMPORTS, MUNITIONS CONTROLS, FEES  
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**Draft Date:** 14 NOV 1975  
**Decaption Date:** 01 JAN 1960  
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**Disposition Authority:** CunninFX  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
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**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** MUNITIONS CONTROL AND AGENTS FEES  
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